



HSA and FSA Accounts for Health and Wellness Coaching (HWC) Services

How Clients Can Use HSA/FSA Funds for Health & Wellness Coaching

Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) allow individuals to pay for qualified medical expenses with pre-tax dollars. These accounts can help reduce healthcare costs and may be used to cover health and wellness coaching (HWC) services.

What Clients Need to Know

Letter of Medical Necessity (LMN):

- A physician must provide an LMN stating that health and wellness coaching is recommended to treat or manage a medical condition. Sample letter included in this packet.

Check with the HSA/FSA provider:

- Each account administrator may have different documentation requirements. Clients should verify with their provider before submitting expenses.

Eligible expenses:

- Coaching services must be tied to the prevention, treatment, or management of a medical condition to qualify.

Why This Matters:

Chronic diseases remain a major challenge in the U.S. - with 6 in 10 adults managing at least one chronic condition and 4 in 10 living with two or more (CDC). Conditions such as heart disease, stroke, diabetes, and obesity can often be prevented or managed through sustainable lifestyle changes. National Board Certified Health & Wellness Coaches (NBC-HWCs) provide personalized guidance and support to help clients make these changes and improve their overall well-being.

By understanding how HSA and FSA accounts can be applied, you can help your clients access your services and expand the reach of coaching to those who need it most.

What's Included in This Packet

- FAQ about using HSA/FSA funds for coaching services
- Sample letter your clients can give to their physician to request an LMN

HSA and FSA Accounts for Health and Wellness Coaching (HWC) Services

FAQs

▶ **What is the difference between an HSA and FSA Account?**

Health Savings Accounts (HSA) are associated with high-deductible health plans and are owned by the individual. They may or may not be administered by an employer. Contributions may roll over for these accounts. They are funded with pre-tax contributions.

Flexible Spending Accounts (FSA) are administered by the employer and contributions do not roll over from one year to the next. They are funded with pre-tax contributions.

▶ **Does Health and Wellness Coaching qualify as a reimbursable expense under these accounts?**

The IRS determines what can be reimbursed by an HSA/FSA. Because health and wellness coaching is an emerging profession it is not yet specified in the IRS code language, however, they do cite that “amounts paid for the primary purpose of treating a disease are deductible as medical care.” So, if a taxpayer has a medical condition for which a doctor recommends health and wellness coaching services as a treatment to address the medical condition, then the associated costs qualify as “medical care” and therefore may qualify as a deductible medical expense.

Given the current IRS language if a client/patient (taxpayer) is referred to health and wellness coaching by their physician as a treatment for a medical condition/disease, this would be reimbursable as outlined above.

▶ **Whom should my client talk to regarding the use of an HSA/FSA and how do they receive reimbursement?**

If your client is interested in receiving benefits under their HSA/FSA for HWC, they should consult their physician to discuss their medical treatment and care plan. If the physician decides that they have a condition that warrants the support of a health and wellness coach, they may recommend that course of treatment. In this instance, we recommend a Medical Letter of Necessity be provided to the patient/client for record-keeping and claim submission. We have provided you with an example of the Medical Letter of Necessity for you to see what is required.

To receive reimbursement for an HSA/FSA, the patient/client needs to follow the instructions outlined in their plan and contact the plan administrator with questions about submitting claims and receipts.

▶ **What if my client does not have a medical condition that necessitates a treatment plan from their physician, but they want to use their HSA/FSA for health and wellness coaching?**

As the plans are administered right now, the IRS language does not allow for someone to choose this intervention or service on their own and receive reimbursement from their HSA/FSA, however NBHWC believes that health and wellness coaching is an important service that supports individuals in any stage of health so we do encourage your clients/patients to speak with their physician to see if they qualify to receive a signed Letter of Medical Necessity to use their HSA or FSA account.

SAMPLE LETTER OF MEDICAL NECESSITY

The following letter is only intended as a SAMPLE Letter of Medical Necessity that outlines the information a payer/plan may request. Use of this letter does not guarantee coverage for the service. The prescriber (physician) is responsible for the content of this letter and should customize all bracketed information in blue with the appropriate information.

SAMPLE Letter of Medical Necessity

[Physician's Letterhead] [Date]

[City, State, ZIP Code]

RE: Coverage for Health and Wellness Coaching

Patient: [Patient Name]

Date of Birth: [Date]

Diagnosis: [Diagnosis], [ICD-10-CM]

Dear HSA/FSA Plan:

I am writing on behalf of my patient, [Patient Name], to document the medical necessity to treat their [Diagnosis] with [Coach name, a National Board Certified Health and Wellness Coach at (Coach Business LLC Name / NPI: xxxxxxxxx / EIN: xx-xxxxxx/ Health and Wellness Coaching Taxonomy code: 71400000X)].

This letter serves to document my patient's medical history and diagnosis and to summarize my treatment rationale. Please refer to the [List any Enclosures] enclosed with this letter.

Summary of Patient's Medical History and Diagnosis

[Patient Name] is [Age] years old and was initially diagnosed with [Diagnosis] [ICD-10-CM] on [Date]. [Patient Name] has been in my care since [Date].

[Provide a discussion of the patient's clinical history, current symptoms and condition, any potential contraindications, and any relevant laboratory test results, highlighting the factors leading you to recommend use of the service]

Rationale for Treatment

[Include your clinical rationale and reasons for prescribing the service]

In summary, [Service Name] is medically necessary and reasonable to treat [Patient Name's] [Diagnosis], and I ask you to please consider coverage of [Service Name] on [Patient Name's] behalf. Please refer to the enclosed supporting documents for further details, and do not hesitate to call me at [Phone Number] if you have any questions or if you require additional information.

Thank you for your attention to this matter.

Sincerely,

[Provider Signature]

[Prescribing Physician Name and Credentials] [NPI Number]

Enclosures: [List any Enclosures]